

FINANCE COMMITTEE MEETING MINUTES

MAY 26, 2015

FINANCE COMMITTEE MEMBERS PRESENT: Campbell, LaPointe, Brown, Henke, Suprenant, Idleman, Pitts, Hicks, O'Brien, Haff, Shay

FINANCE COMMITTEE MEMBERS ABSENT: None.

SUPERVISORS: Lindsay, Gang, Fedler, Shaw, Armstrong

Debra Prehoda, Clerk of the Board

Kevin Hayes, County Administrator

Roger Wickes, County Attorney

Al Nolette, County Treasurer

Public

AGENDA AS PRESENTED IN COMMITTEE NOTICE:

1. Call to Order
2. Mega – Hydro Electric Program – Gravity Renewables, Inc.
3. Other Business
4. Adjournment

Chairman Campbell called the meeting to order at 11:15 A.M.

Farmers Market at Huletts Park – Amy Rota-Poulin is requesting to operate a farmers market at Huletts Park one day a week featuring local products. Mrs. Rota-Poulin and her husband will be the operators and selling the products. She will provide the liability insurance, \$1M umbrella policy. Roger Wickes, County Attorney, stated this sounds more like a business opening at the park not a farmers market and does the committee want to get into allowing businesses in the park. It was suggested that she address her request to operate a farmers market with the fire company as the site. Chairman Campbell wished her luck.

MEGA – Hydro – Electric Program – Omay Elphick, Gravity Renewables, Inc., addressed a program that expires at the end of the week and requires a Board resolution to allow the County to be grandfathered into the program.

Through MEGA and a competitive bid process sponsored by Tompkins County, Gravity Renewables, Inc was selected to provide MEGA members with tools they can use to stabilize electricity prices. This is an opportunity to capture this program, remote net metering. They are focusing on hydro plants that already exist. The difference between this proposal and the solar proposal is they are not soliciting tax credits or grants, financing these projects without government incentive and do not have to build anything but investing in older existing projects. The basic idea with remote net metering is the County will pay Gravity Renewables, Inc. a per kilowatt hour fee to operate the plant on our behalf and then the kilowatts the plant generates are turned into a dollar credit that is received on our electric bill. The number we pay to have them operate the plant has to be significantly less than the economic value the County derives. The State is getting rid of this loop hole that allows the County to receive this credit. They, Gravity Renewables, cannot capitalize on these additional dollars on their own, that's why they need the county. This program was developed to provide the customer with the economic value not the developer.

It was asked if the cost we incur by paying Gravity is more than we are making on credits can we get out of the contract. A draft contract has been provided to the County Attorney for review. The grandfather term is good for 25 years. Gravity is taking a gamble with a ten year term and he believes the County will be enjoying this revenue stream and will be interested in renewing. The County will be the only party grandfathered at this hydro facility. At the end of the ten-year term, the County and Gravity will mutually have the option to renew. They need a

signed agreement before they can reveal the hydro plant but did state it does not involve the Hudson River Black River District.

The focus today is the grandfathering process and there is time to work on the contract in June. Mr. Elphick went over the figures in his slide presentation, attached.

The Gravity contract does not talk about the credits it talks about paying for the power being generated. This is the same as the solar proposal in that the County could be under water. The County receives credit on our bill; no check is issued. They are purposely focusing on a plant that will not produce our total electric need. There is an executory clause in the contract which is required by State law.

Mr. Hicks stated philosophically speaking this is a business investment; a venture capitalist situation. He stated we are taking County money and risking it, hedging it, to get money back, philosophically speaking that is not his job. His job is to plow roads, provide fuel oil to those that don't have it, run elections, and provide public safety. Philosophically he does not buy this proposal and it is not the mission of the County. It is too much of a risk and he cannot support this idea. Mr. Shaw stated he is also not in favor of moving forward with the County taking all the risk.

A motion to enter into a non binding letter of intent with Gravity Renewables, grandfathering the County, was moved by Mr. Brown and seconded by Mr. O'Brien. Discussion. Mr. Brown stated he was not at the last meeting and unaware of the deposit. Mr. Elphick explained what is needed to be grandfathered and how the resolution needs to strengthen the County's claim for being grandfathered for this option. The County Attorney read the wording in the proposed resolution; continue negotiations. He asked if the County was going to put up any money. The motion was withdrawn. A motion to pass a resolution with a letter of intent was moved by Mr. Haff, seconded by Mr. O'Brien and adopted.

A motion to enter an executive session for legal advice from the County Attorney was moved by Mr. Brown, seconded and adopted. Mr. Henke opposed.

OTHER BUSINESS: None.

The meeting adjourned from executive session at 12:59 P.M. No action was taken in the executive session.

Respectfully submitted,

*Debra Prehoda, Clerk
Washington County Board of Supervisors*